

ANNUAL DISCLOSURE REPORT

CITY OF RIVERSIDE

FISCAL YEAR ENDING JUNE 30, 2022

Series	Dated	CUSIP Numbers
\$31,960,000 CITY OF RIVERSIDE TAXABLE PENSION OBLIGATION REFUNDING BONDS 2017 SERIES A	5/31/2017	769036AX2 THROUGH 769036BG8
\$432,165,000 CITY OF RIVERSIDE TAXABLE PENSION OBLIGATION BONDS 2020 SERIES A	6/11/2020	769036BH6 THROUGH 769036BT0

Prepared by
City of Riverside

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Preparation Date: March 23, 2023

As required by Sections 4(a) and 4(b) of the Continuing Disclosure Certificates, executed and delivered by the City of Riverside (the “City”) relating to the City’s Taxable Pension Obligation Refunding Bonds, Series 2017A and Taxable Pension Obligation Bonds, Series 2020A (the “Bonds”), the City provides the following:

Section 4(a): Audited Financial Statements of the Issuer prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

Included by reference in this Annual Report is the City of Riverside’s Annual Comprehensive Financial Report (ACFR), which includes the audited financial statements of the City of Riverside prepared in accordance with generally accepted accounting principles for the year ending June 30, 2022. The City’s ACFR was submitted to the Municipal Securities Rulemaking Board’s Electronic Municipal Access System (“EMMA”) on January 30, 2023 and can be found at <https://emma.msrb.org/P21662879-P21271315-P21698451.pdf>.

Section 4(b): The following required information per the Continuing Disclosure Certificate for the Bonds can be found within the City’s Annual Comprehensive Financial Report for the year ending June 30, 2022 at the listed locations:

2017A and 2020A Certificate Reference	Description	Annual Comprehensive Financial Report Location
4(b)(i)	Table 2, containing information about the City’s General Fund balance sheet.	Pg. 20
4(b)(ii)	Table 3 containing information concerning the actual revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City.	Pg. 22
4(b)(ii)	Table 7 showing tax revenue collections by source.	Pg. 117
4(b)(iv)	Table 10, containing information about assessed values of taxable property.	Pg. 119
4(b)(v)	Table 11, containing information about principal property taxpayers.	Pg. 121

Table 5
CITY OF RIVERSIDE
GENERAL FUND ADOPTED BUDGET (FISCAL YEAR 2022-23)
(Amounts Expressed in Thousands)

Revenues		
Sales & Use Tax	\$	83,515
Property Tax		79,281
Utilities Users Tax		32,800
Charges for Services		15,169
Licenses and Permits		10,626
Property Transfer Tax		3,519
Fines and Forfeitures		1,893
Franchises		5,722
Special Assessments		541
Transient Occupancy Tax		7,104
Intergovernmental Revenues		1,441
One-Time Revenues ⁽¹⁾		3,458
Transfers In ⁽²⁾		69,076
Total Revenues	\$	314,145
Expenditures		
City Attorney	\$	5,295
City Clerk		1,377
City Council		1,325
City Manager		4,786
Community Development		17,267
Finance		7,676
Fire		63,137
General Services		4,890
Human Resources		3,666
Innovation & Technology		12,249
Library		8,337
Mayor		903
Museum		2,195
Non-Departmental		25,748
Parks, Recreation & Community Svcs		23,102
Police		114,402
Public Works		18,264
Negotiated Labor Adjustments		-
Allocation Expenditures ⁽³⁾		(21,653)
Transfers Out ⁽⁴⁾		12,703
Total Expenditures	\$	305,669
Revenue over/(under) expenditure		8,476
Other financing sources (uses)		
Measure Z Transaction & Use Tax ⁽⁵⁾	\$	76,802
Measure Z - appropriations		(83,790)
Total other financing sources (uses)	\$	(6,988)
Net change in fund balance		1,488
Fund balance, beginning ⁽⁶⁾		227,218
Fund balance, ending		228,706

Table 5
CITY OF RIVERSIDE
GENERAL FUND ADOPTED BUDGET (FISCAL YEAR 2022-23)
(Amounts Expressed in Thousands)

- (1) Includes claims recovery and sale of land, buildings, salvaged materials and equipment
- (2) Transfers In include annual operating transfers from the Electric Fund, and Water Fund to maintain local general purposes or other appropriations, transfer from Measure Z to fund critical operating needs and capital projects and transfer from the Sewer Fund for liability cost recovery.
- (3) Part of non-departmental expenditures. Includes allocated charges which are typically used to allocate administrative service costs to departments that receive the benefit of services provided by General Fund departments. The budget will show as a negative (contra) expenditure, offsetting the department's operating cost.
- (4) Transfers out include transfers to subsidize Civic Entertainment and Special District activity
- (5) Measure Z is a 1% Transaction and Use Tax approved by the electorate on November 8, 2016 and expires in 2036. Funds are segregated but available for General Fund obligations.
- (6) 2022-23 Adopted Budget beginning fund balance is the General Fund's 2021-22 ending fund balance from City's Annual Financial Report for the Year Ending June 30, 2022.

Table 12, showing property tax levies and collections, only if and for so long as the City is not covered by the County's Teeter Plan:

The City is currently covered by the County's Teeter Plan.

Table 13, containing information showing the aggregate principal amount of long-term bonds, leases and other obligations of the City which are payable out of the General Fund of the City:

Debt Issuance	Original Issue	Outstanding Principal Balance 6/30/2022
General Obligation Bonds	\$20,000,000	\$4,940,000
Pension Obligation Bonds ⁽¹⁾	553,665,000	449,175,000
Certificates of Participation ⁽²⁾	148,245,000	85,705,000
Lease Revenue Bonds ⁽³⁾	90,725,000	70,375,000
Capital Leases	35,397,000	22,887,409

⁽¹⁾ In FY 2023, 72% of the POB debt service is allocated in General and Measure Z funds. 28% is allocated to other funds based on the percentage of CalPERS plan employees budgeted in those Funds.

⁽²⁾ In FY 2023, 72% of debt service for 2006 and 2008 COPs is allocated in General and Measure Z funds. 28% is allocated to other funds based on capital projects funded with bond proceeds.

⁽³⁾ In FY 2023, 86% of debt service for Lease Revenue Bonds is allocated in General and Measure Z Funds. 14% is allocated to other funds based on projects funded with bond proceeds.

**Table 14 of the 2020A POB Official Statement
CITY OF RIVERSIDE
PENSION TIERS FOR CITY EMPLOYEES**

Pension Plan	Pension Formula	Benefit Calculation ⁽¹⁾	Effective Date - Formula and Benefit Calculation	Effective Date - Employees Paying Employee Share of Contribution
Safety - Fire	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2019 ⁽²⁾
	Tier 2: 3.0% @ 55	Tier 2: 3 Years	June 11, 2011	June 11, 2011
	Tier 3: 2.7% @ 57	Tier 3: 3 Years	January 1, 2013	January 1, 2013
Safety - Police ⁽⁴⁾	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2018 ⁽³⁾
	Tier 2: 3.0% @ 50	Tier 2: 3 Years	February 17, 2012	February 17, 2012
	Tier 3: 2.7% @ 57	Tier 3: 3 Years	January 1, 2013	January 1, 2013
Miscellaneous ⁽⁵⁾	Tier 1: 2.7% @ 55	Tier 1: 1 Year	--	January 1, 2018 ⁽³⁾
	Tier 2: 2.7% @ 55	Tier 2: 3 Years	December 16, 2011	October 19, 2011
	Tier 3: 2.0% @ 62	Tier 3: 3 Years	January 1, 2013	January 1, 2013

⁽¹⁾ The Benefit Calculation refers to the number of years of salary included in the calculation of the amount to which the retirement benefit is applied. In the case of one year, the highest year of salary is utilized. In the case of three years, the highest consecutive three years is utilized.

(2) Beginning January 1, 2019, Safety Fire Tier 1 employees were required to pay for a portion of their employee share. This portion increased over three years; 2.5% (2019), 2.5% (2020) and 3% (2021). As of 2022, employees are responsible for 8% cost share of PERs pensionable income cost. For Safety Fire Tier 1 employees starting in 2023, the employer contribution will increase over three years by 2% in 2023, 1% in 2024, and 1% in 2025.

(3) Beginning January 1, 2018, based on revenue performance of the City, Safety Police Tier 1 employees could pay 1.5% of employer PERS costs for up to a total of 6.0% through 2021; actual PERS cost sharing as of March 2022 is 4.5%. In 2023 the RPAA Police group will contribute a total of 6.5% of the PERS cost sharing contribution. In 2023 the RPOA and RPOA Supervisory groups will contribute a total of 5% of the PERS cost sharing contribution. Miscellaneous Tier 1 employees are required to pay 8% of employee PERS costs as follows: Beginning December 3, 2013, employees in the SEIU and SEIU Refuse units were required to begin paying an additional portion of their pensionable income cost. Employees in the unrepresented group started paying January 1, 2018 and employees in the IBEW/IBEW Supervisory groups started paying November 3, 2017. As of January 1, 2019, employees in the SEIU/SEIU Refuse group pay 8.0% of covered pay toward PERS normal cost. Employees in the unrepresented and IBEW groups had a three-year increase of 2% (2019), 2% (2020), and 2% (2021). As of 2022, employees are contributing the entire 8% employee share of their pensionable income cost.

(4) The dates shown apply to the Police Officer, Police Pilot, and Police Detective classifications. The Police Sergeants and Riverside Police Administrators Association (ranks of Lieutenant and above) were negotiated separately at a subsequent date, but are now also subject to the provisions of the second tier.

(5) The Miscellaneous group includes three (3) employee groups: SEIU/SEIU Refuse, Unrepresented, and IBEW/IBEW Supervisory. The December date shown is the contract amendment date for all groups implementing a 3-year final compensation. SEIU/SEIU Refuse employees started paying the employee contribution on June 8, 2011; unrepresented and IBEW units started paying the employee contribution on October 19, 2011.

Source: *City of Riverside's Human Resources Department*

Table 14 (2017A) / Table 15 (2020A) and Table 15 (2017A) / Table 16 (2020A) containing information on the City's historical funding status with respect to its PERS retirement plans:

**Table 14 (2017A)
Table 15 (2020A)
CITY OF RIVERSIDE
HISTORICAL FUNDING STATUS
(Miscellaneous Plan)**

<i>Valuation</i>			<i>Unfunded</i>		<i>Affects City</i>			
<i>Date</i>	<i>Accrued</i>	<i>Market Value of</i>	<i>Accrued</i>	<i>MVA</i>	<i>Contribution</i>	<i>Annual</i>	<i>City</i>	<i>UAL as a</i>
<i>June 30</i>	<i>Liability</i>	<i>Assets (MVA)</i>	<i>Liability</i>	<i>Funded</i>	<i>Rate for</i>	<i>Covered</i>	<i>Contribution</i>	<i>Percentage</i>
			<i>(UAL)⁽¹⁾</i>	<i>Status</i>	<i>Fiscal Year</i>	<i>Payroll</i>	<i>Amount⁽²⁾</i>	<i>of Payroll</i>
2021	\$1,570,873,013	\$1,638,143,404	\$ (67,270,391)	104.3%	2023-24	\$128,059,046	\$ 18,864,674	-52.5%

⁽¹⁾ Previously referred to as Unfunded Liability. Annual payment on the Unfunded Accrued Liability is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. The UAL is billed monthly. A total of \$200,330,920 of Unfunded Liability in relation to Miscellaneous Employees was paid through the issuance of 2020 Series A Pension Obligation Bonds.

⁽²⁾ Amounts are the actuarially required employer contribution amounts from the PERS Annual Valuation Reports rather than the actual amounts contributed by the City. The City's actual contributions differ based on increases or decreases in staffing levels. Differences are accounted for in future actuarially required contribution amounts. The City has multiple pension tiers, with new employees paying their own contribution to the plan.

Source: *CalPERS Actuarial Reports as of June 30, 2020 dated July 2021*

Table 15 (2017A)
Table 16 (2020A)
CITY OF RIVERSIDE
HISTORICAL FUNDING STATUS
(Safety Plan)

<i>Valuation</i>			<i>Unfunded</i>		<i>Affects City</i>			
<i>Date</i>	<i>Accrued</i>	<i>Market Value of</i>	<i>Liability</i>	<i>MVA</i>	<i>Contribution</i>	<i>Annual</i>	<i>City</i>	<i>UAL as a</i>
<i>June 30</i>	<i>Liability</i>	<i>Assets (MVA)</i>	<i>(UAL) ⁽¹⁾</i>	<i>Funded</i>	<i>Rate for</i>	<i>Covered</i>	<i>Contribution</i>	<i>Percentage</i>
				<i>Status</i>	<i>Fiscal Year</i>	<i>Payroll</i>	<i>Amount ⁽²⁾</i>	<i>of Payroll</i>
2021	\$ 1,306,957,978	\$ 1,301,859,055	5,098,923	99.6%	2023-24	\$ 76,460,803	\$ 29,728,685	6.7%

⁽¹⁾ Previously referred to as Unfunded Liability. Annual payment on the Unfunded Accrued Liability is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. The UAL is billed monthly. A total of \$230,231,058 of Unfunded Liability in relation to Safety Employees was paid through the issuance of 2020 Series A Pension Obligation Bonds.

⁽²⁾ Amounts are the actuarially required employer contribution amounts from the PERS Annual Valuation Reports rather than the actual amounts contributed by the City. The City's actual contributions differ based on increases or decreases in staffing levels. Differences are accounted for in future actuarially required contribution amounts. The City has multiple pension tiers, with new employees paying their own contribution to the plan.

Source: CalPERS Actuarial Reports for June 30, 2020 dated July 2021

As a result of the implementation of GASB Statement No. 68, the information presented in Table 16, Table 17, and Table 18 of the 2017 Series A Official Statement is no longer reported by CalPERS.

Table 17 and Table 18 of the 2020A Official Statement containing information on the City's present and future employer contribution rates with respect to its PERS retirement plans:

Table 17 (2020A)
CITY OF RIVERSIDE
PRESENT AND FUTURE EMPLOYER CONTRIBUTIONS
(Miscellaneous Plan)

<i>Fiscal Year</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>
Normal Cost %	13.560%	13.200%	12.900%	12.500%	12.200%	11.900%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0
Total as a % of Payroll	13.6%	13.2%	12.9%	12.5%	12.2%	11.9%
Projected Payroll	\$139,120,012	\$143,015,372	\$147,019,803	\$151,136,357	\$155,368,175	\$159,718,484
Total Employer Contribution⁽¹⁾	\$18,864,674	\$18,878,029	\$18,965,555	\$18,892,045	\$18,954,917	\$19,006,500

⁽¹⁾ Equal to the Normal Cost % multiplied by the Projected Payroll, and added to the UAL Payment

Source: CalPERS Actuarial Report for June 30, 2021 dated July 2022

Table 18 (2020A)
CITY OF RIVERSIDE
PRESENT AND FUTURE EMPLOYER CONTRIBUTIONS
(Safety Plan)

<i>Fiscal Year</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>
Normal Cost %	23.390%	22.700%	22.000%	21.300%	20.600%	20.000%
UAL Payment	\$10,299,776	\$6,235,000	\$5,403,000	\$2,343,000	\$0	\$0
Total as a % of Payroll	35.8%	30.0%	28.1%	23.9%	20.6%	20.0%
Projected Payroll	\$83,065,025	\$85,390,845	\$87,781,789	\$90,239,679	\$92,766,390	\$95,363,849
Total Employer Contribution⁽¹⁾	\$29,728,685	\$25,618,722	\$24,714,994	\$21,564,052	\$19,109,876	\$19,072,770

⁽¹⁾ Equal to the Normal Cost % multiplied by the Projected Payroll, and added to the UAL Payment

Source: CalPERS Actuarial Report for June 30, 2021 dated July 2022

EVENT FILINGS

On August 26, 2021, Moody's Investor Services upgraded the City of Riverside, CA's issuer rating to Aa3 from A1. As such, the City posted a Material Events Notice to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21491571-P21155284-P21569480.pdf>.

On February 1, 2022, the City of Riverside entered into an Amended and Restated Revolving Credit Agreement with U.S. Bank National Association. As such, the City posted a Notice of Significant Event (Incurrence of Financial Obligations) to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21547835-P21196261-P21615464.pdf>.

On February 8, 2022, there was a change in name of the trustee, with no operational or location changes. As such, the City posted a Material Events Notice to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21547953-P21196344-P21615575.pdf>.

On June 7, 2022, the City filed a notice of incurrence of a financial obligation related to Schedule of Property 4 to Master equipment Lease Purchase Agreement with Banc of America Public Capital Corp. As such, the City posted a Material Events Notice to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21580748-P21220204-P21641970.pdf>.

On June 30, 2022, the City of Riverside entered into Amendment No. 6 to Schedule of Property No. 3 to Master Equipment Lease Purchase Agreement with Banc of America Public Capital Corp. As such, the City posted a Notice of Incurrence of a Financial Obligation to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21589459-P21226549-P21649036.pdf>.